



Sunset Caucus

Waste Action Alert

*A publication of the RSC Sunset Caucus from co-chairs Kevin Brady (R-TX) and Jason Chaffetz (R-UT)
Rep. Tom Price (R-GA), RSC Chairman*

Eliminate the National Organic Certification Cost-Share Program

July 14, 2010

Program or Item Targeted: National Organic Certification Cost-Share Program

Five-Year Cost of Program or Item: \$22 million.

Background on Program or Item to Be Sunseted: The National Organic Certification Cost Share Program was created in the 2002 Farm Bill, and \$5 million was authorized. The program provides cost share assistance, through participating States, to organic producers and/or organic handlers to assist in obtaining certification. Agricultural products grown and processed according to USDA's national organic standards are certified by a USDA-accredited State or private certification organization. Farmers who market their products as organic must receive certification. Participants of the National Organic Certification Cost Share Program may be reimbursed for up to 75 percent of their organic certification costs, not to exceed \$750 per year. In the 2008 Farm Bill the amount was inflated to \$22 million, an increase of 440% above the previously authorized level.

Why This Program or Item Is Wasteful: According to a report issued by the USDA in March 2009, the average individual payment was \$389.89. One would be hard pressed to believe that even if it were appropriate for the federal government to incentivize “organic” production, a \$389 one-time payment would hardly be the reason a farmer opted for the production method. Further, it has been widely discussed that certification costs have risen and are expected to continue to rise due to an increased interest in marketing organic products resulting in a higher demand to become certified (certifying bodies are having to undergo various reorganization efforts to meet the large increases in demand for certification services). This development highlights that the market forces surrounding organic production are working regardless of the cost-share program further showcasing that the program is unnecessary. It should be noted that the elimination of this program would not affect small-scale producers, as those who market less than \$5,000 of organic products annually are not required to become certified, though they have the option of doing so.

MEMBER ACTION ITEM: Rep. Michael Conaway (TX-11) introduced H.R. 5326, which would eliminate the National Organic Certification Cost-Share program. Members are encouraged to contact Scott Graves at Scott.Graves@mail.house.gov to cosponsor or for more information.

If you would like to participate in eliminating wasteful programs with the RSC Sunset Caucus, please e-mail Brad.Watson@mail.house.gov.

If you have a bill or amendment to highlight in the next Waste Action Alert please contact Kimberly.Ellis@mail.house.gov.

Note: Not every item featured in the Waste Action Alerts is necessarily endorsed by the RSC. These Alerts highlight the individual initiatives of members of the RSC Sunset Caucus.

*“The RSC Sunset Caucus uncovers government waste and seeks to eliminate it,
working to sunset programs that taxpayers shouldn't be paying for.”*

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